

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, THE PUERTO
RICO SALES TAX FINANCING CORPORATION, THE
PUERTO RICO HIGHWAYS AND TRANSPORTATION
AUTHORITY, THE EMPLOYEES RETIREMENT SYSTEM OF
THE GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO, THE PUERTO RICO ELECTRIC POWER
AUTHORITY, AND THE PUERTO RICO PUBLIC BUILDINGS
AUTHORITY,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

Re: ECF No. 21334, 21840

**STATUS REPORT REGARDING VERIFIED STATEMENT OF CONNECTIONS UNDER THE
PUERTO RICO RECOVERY ACCURACY IN DISCLOSURES ACT**

To the Honorable United States District Court Judge Laura Taylor Swain:

McKinsey & Company Puerto Rico Consulting, Inc. ("McKinsey") respectfully submits
this status report regarding McKinsey's verified statement of connections under the Puerto Rico
Recovery Accuracy in Disclosures Act of 2021. Pub. L. No. 117-82 ("PRRADA").

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283- LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Background

1. PRRADA was signed into law on January 20, 2022, and generally imposes the Rule 2014 disclosure requirements of the Federal Rules of Bankruptcy Procedure that apply to professionals retained under sections 327 and 1103 of the Bankruptcy Code.

2. On April 12, 2022, the Court entered its Third Amended Order Setting Procedures for Interim and Final Compensation and Reimbursement of Expenses of Professionals (“Third Amended Order”) [ECF No. 20546]. The Third Amended Order, among other things, set a May 16, 2022, deadline for professionals to file PRRADA disclosures (Third Amended Order, ¶ 4.d.). That Order also required the United States Trustee to review and comment informally on or object to any professional’s PRRADA disclosures by June 30, 2022, or such deadline as the Court may order. (Third Amended Order, ¶ 4 e.i.).

3. On May 16, 2022, McKinsey timely filed the *Declaration of Dmitry Krivin, a Partner of McKinsey & Company, Inc. United States, Disclosing Connections to Material Interested Parties in Connection with the Puerto Rico Recovery Accuracy in Disclosures Act* (the “Krivin Declaration”) [ECF No. 20832].

4. On June 22, 2022, the United States Trustee filed her Motion to Amend (“Motion to Amend”) the Third Amended Order [ECF No. 21316], seeking an extension of various deadlines associated with its review of professionals’ PRRADA disclosures. On June 24, 2022, the Court entered its order (“June 24th Order”) granting the Motion to Amend. [ECF No. 21334]. The June 24th Order provides, among other things, that:

2. Those parties on the MIP List as hired professionals, but who have not yet filed PRRADA disclosures, shall have until July 15, 2022, to file the PRRADA disclosures.

3. Notwithstanding the terms and provisions of the Third Amended Order, the United States Trustee shall have until August 15, 2022, to review, comment informally on, or object to any Professional's PRRADA disclosures (a "PRRADA Objection").

5. To the extent not otherwise provided herein, the U.S. Trustee may agree to one consensual extension of up to sixty (60) days, where reasonably necessary, to such professionals as may be determined are required to file a PRRADA disclosure.

5. On August 15, 2022, the United States Trustee filed a status report regarding professionals' PRRADA disclosures. *See United States Trustees Comment and Related Status Report on the Verified Statements of Connections Filed by Professionals Under the Puerto Rico Recovery Accuracy in Disclosures Act* [ECF No. 21840]. As noted in the status report, "the United States Trustee conferred with and requested supplemental information from 36 professionals," including McKinsey. The United States Trustee also noted that it was awaiting submissions of supplemental disclosures from certain professionals, identified McKinsey as one such professional, and indicated that it "will file an updated Comment and Status Report with the Court as to these professionals as necessary." *Id.*

6. The July 15, 2022 deadline, and any related 60 days extension, appear to apply to professionals that, unlike McKinsey, had not previously filed timely PRRADA disclosures. Nevertheless, in order to avoid any uncertainty and provide transparency, McKinsey files this status report to update the Court and all parties in interest regarding the status of its supplemental disclosures. In the event McKinsey's interpretation of the order is incorrect, McKinsey hereby requests an extension of time until October 14 to file its supplemental disclosures, and a corresponding 30 day extension of time for the United States Trustee from the date of McKinsey's filing for any response to such supplemental disclosures.

Status Report

7. McKinsey has been working diligently to supplement the Krivin Declaration in response to the United States Trustee's comments and McKinsey is providing such supplemental information to the United States Trustee substantially contemporaneously with this filing. The Office of the United States Trustee has indicated that it does not object to additional time for McKinsey to address any remaining inquiries, provided that after McKinsey files a supplement to the Krivin Declaration on the docket, the United States Trustee will have 30 days to further review the supplemental disclosures. McKinsey currently hopes to address any further questions or requests that the United States Trustee may have, and accordingly file the supplemental Krivin Declaration, no later than October 14, 2022.

8. McKinsey is available to answer any questions that the Court may have concerning this status report. McKinsey appreciates the Court's attention to this matter.

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WE HEREBY CERTIFY that on this date, we electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all attorneys or record.

RESPECTFULLY SUBMITTED.

Dated: September 15, 2022
San Juan, PR

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